

**MONTANA**  
**SECTION 1115 MEDICAID DEMONSTRATION**  
**FACT SHEET**

<b>Number of Section 1115 Demonstration:</b>	<b>11-W-00181/8</b>
<b>Date Proposal Submitted:</b>	October 23, 2003
<b>Date Approved:</b>	January 29, 2004
<b>Date of Implementation:</b>	February 1, 2004
<b>Date Authority Expires:</b>	January 31, 2009

**BACKGROUND**

On November 20, 1995, the State of Montana's welfare reform demonstration, entitled "Families Achieving Independence in Montana" (FAIM), was approved under the authority of section 1115 of the Social Security Act ("the Act"). The demonstration was effective from February 1, 1996 through January 31, 2004. According to the State Medicaid Directors' Letter, dated February 5, 1997, the State could not extend the Title XIX component of FAIM beyond the specified eight-year period. Any continuation of these Medicaid waivers would be subject to new terms and conditions, including a budget neutrality test and an evaluation.

"Basic Medicaid" was a component of the program, whereby parents and/or caretaker relatives of dependent children, as described in sections 1925 and 1931 of the Act, who are aged 21 to 64 and neither pregnant nor disabled received a limited package of Medicaid services.

Individuals receiving "Basic Medicaid" received a limited package of Medicaid services. Medical services, such as audiology, dental and denturist, durable medical equipment, eyeglasses, optometry and ophthalmology for routine eye exams, personal care services, and hearing aids were excluded to align coverage with that of a typical work-related insurance program. However, the State provided coverage for emergency dental situations, medical conditions of the eye, and certain medical supplies, such as diabetic supplies and oxygen, and services essential for employment.

On January 29, 2004, Montana's request for a statewide section 1115 Medicaid demonstration, including a waiver of section 1902(a)(10)(B) of the Act, was granted. By waiving section 1902(a)(10)(B) of the Act, the State was able to reduce optional services to able-bodied adults. Montana was aware that optional services could have been eliminated for all Medicaid recipients via a state plan amendment. However, the State

recognized that the elimination of optional services for all individuals could have a negative impact on those who were medically fragile or at risk and the State's budget, as individuals would seek care in more expensive environments. Under this demonstration, parents and/or caretaker relatives of dependent children, as described in sections 1925 and 1931 of the Act, who are aged 21 to 64 and neither pregnant nor disabled receive a limited package of Medicaid services. Approval of this demonstration was controversial, as it represents the first Medicaid-only section 1115 demonstration designed solely to reduce optional services to a mandatory population.

### **ELIGIBILITY**

The demonstration covers able-bodied adults - parents and/or caretaker relatives of dependent children, as described in sections 1925 and 1931 of the Social Security Act, who are aged 21 to 64 and neither pregnant nor disabled.

During State Fiscal Year 2003 (July 1, 2002 – June 30, 2003), there were approximately 14,000 able-bodied adults receiving services under the demonstration.

### **BENEFITS**

A limited package of Medicaid services is offered to the eligible population. Medical services, such as audiology, dental and denturist, durable medical equipment, eyeglasses, optometry and ophthalmology for routine eye exams, personal care services, and hearing aids are excluded to align coverage with that of a typical work-related insurance program. However, the State provides coverage for emergency dental situations, medical conditions of the eye, and certain medical supplies such as diabetic supplies and oxygen, and services essential for employment.

### **COST SHARING**

Individuals subject to the demonstration who are tribal members will not be charged cost sharing when receiving services from the Indian Health Services.

The amount of cost sharing for individuals in the demonstration is the same as the amount specified in the State Plan for Montana. Affected providers or services exempt from cost sharing include: emergency services, hospice, non-emergency transportation, independent laboratory and x-ray services, and family planning.

### **DELIVERY SYSTEM**

The delivery system for these able-bodied adults is through fee-for-service.

### **QUALITY ASSURANCE**

The assurances that quality care is provided to all individuals eligible for Medicaid fall under the authority of the Quality Assurance Division where all Medicaid service

providers are monitored, where complaints may be received from providers, from Medicaid eligibles, or from other concerned citizens, and where facilities are licensed and surveyed.

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